MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

BEB3014 – ELECTRONIC BUSINESS

(All sections / Groups)

13 OCTOBER 2015
9.00 a.m - 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 4 pages with 2 sections only.

2. Attempt **ANY TWO** questions in **SECTION A** and answer **ALL** questions in **SECTION B**. The distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

SECTION A: ESSAY (60 marks)
Attempt ANY TWO questions in this section.

QUESTION 1

a) Trust from customer is one of the key issues that the company faces when it conducts electronic business. Suggest **TWO (2)** ways that can be implemented by a company in order to overcome this issue. (10 marks)

b) Describe major differences between the first wave and the second wave of electronic commerce in terms of:

i) Internet technology used; and (5 marks)
ii) Start-up capital (5 marks)

c) Differentiate between Internet, Intranets and Extranets. (10 marks)

(Total: 30 marks)

QUESTION 2

a) Attracting and retaining loyal customers remains the most important issue for any selling company, including e-business. Increased customer loyalty can bring cost savings to a company in various ways and web advertising play an important role to create e-loyalty. Based on the five-stage customer loyalty model, explain what kind of web advertising message should be delivered at each stage. (15 marks)

b) Discuss **THREE (3)** advantages and **TWO (2)** disadvantages of using a value-added network (VAN). (15 marks)

(Total: 30 marks)

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QUESTION 3

a) Describe the security dangers inherent in ActiveX controls. (10 marks)

b) What is the difference between a virus and a worm? (10 marks)

c) What are the differences between a credit card and a charge card? (10 marks)

(Total: 30 marks)

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SECTION B: CASE STUDY (40 marks)

Ananda Development PCL

Based in Thailand, Ananda Development PCL develops residential properties that cater to urban dwellers. It provides housing that is close to public transport and amenities and that also comes equipped with fantastic facilities and furniture. Ananda Development PCL wanted to encourage people to register their interest online in its four new condominiums and attend an event to learn about the new properties. It also wanted to drive 50% more event registrations than a similar event it held the previous year.

'Facebook Ads were a hugely effective way for us to reach precisely the right people. Facebook also helped us to effectively optimise our campaign, which helped us see better results and maximise our investment. So it wasn't surprising that compared to other advertising channels we used, Facebook proved to have a low cost per acquisition.' Said Uthen Phetvaree, senior digital marketing manager, Ananda Development PCL.

Ananda Development PCL split its campaign into 2 phases. Phase 1 was aimed at increasing awareness, while the priority for phase 2 was to drive registrations for the offline event.

For phase one, Ananda Development PCL ran video ads that showcased its new properties. For phase 2, the company ran link ads in the right column and on mobile and desktop News Feed to drive people directly to the registration page on its website. The property developer used demographic targeting, plus 2 of Facebook's advanced targeting tools, to expand its reach and connect with the right people. Lookalike Audiences were used to target friends of people who had already liked its Ideo Condo Facebook Page or attended one of its events. It also used Lookalike Audiences to target people with a similar profile to its Facebook community.

The company used Facebook's Custom Audiences to upload its own email database and reach prospective customers on Facebook. Next, it drove as many registrations as possible by placing conversion pixels on its registration landing page and using Custom Audiences to retarget people who visited the page but didn't register.

Given the complexity of its targeting solution, Ananda Development PCL tracked and optimised its ads throughout the campaign with Power Editor. It then showed each customer segment an ad tailored specifically for that audience. This helped the company make sure it was maximising its budget and keeping its cost per acquisition low.

(Source: https://www.facebook.com/business/success/ananda)

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QUESTION 4

a. Facebook is one of the examples of social networking site. Explain what is Social Networking site. (4 marks)

b. What are the **THREE (3)** motivations for Ananda PCL to use Facebook as marketing medium for the company? (6 marks)

c. Explain **FIVE (5)** reasons why social networking sites benefit businesses and sellers? (20 marks)

d. Discuss **FIVE (5)** revenue models for online business through social media. (10 marks)

(Total: 40 marks)

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